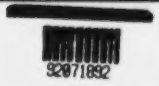

08732
Q-3924

P 92-2274

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

RECD S.E.C.
MAR 13 1992
137

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended January 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 0-1365

SCIOTO DOWNS, INC.
(Exact name of registrant as specified in its charter)

OHIO	31-4440550
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6000 SOUTH HIGH STREET, COLUMBUS, OHIO 43207
(Address of principal executive offices) (Zip Code)

(614) 491-2515
(Registrant's telephone number, including area code)

PROCESSED BY
MAR 26 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The number of common shares outstanding at February 28, 1992:

595,767, par value $1.05

BEST COPY
AVAILABLE

SCIOTO DOWNS, INC.

I N D E X

	Pages
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Balance Sheet at January 31, 1992 (Unaudited), October 31, 1991 and January 31, 1991 (Unaudited)	3
Statement of Operations for the three-month periods ended January 31, 1992 and 1991 (Unaudited)	4
Statement of Cash Flows for the three-month periods ended January 31, 1992 and 1991 (Unaudited)	5
Notes to the Financial Statements (Unaudited)	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	7
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	8
Item 2. Changes in Securities	8
Item 3. Defaults Upon Senior Securities	8
Item 4. Submission of Matters to a Vote of Security Holders	8
Item 5. Other Information	8
Item 6. Exhibits and Reports on Form 8-K	8
SIGNATURES	9

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SCIOTO DOWNS, INC.

BALANCE SHEET, January 31, 1992 and 1991 and October 31, 1991

ASSETS

	Jan 31, 1992 (Unaudited)	Oct 31, 1991	Jan 31, 1991 (Unaudited)
Current assets:			
Cash and cash equivalents	$ 55,583	$ 210,453	$ 7,596
Accounts receivable	10,088	33,356	16,936
Prepaid expenses and other	56,685	46,246	79,110
Income tax refundable (Note 3)	280,287	80,287	153,000
Deferred income taxes	3,875	3,875	3,875
Total current assets	406,518	374,217	260,517
Property and equipment, at cost	18,188,232	18,188,232	12,819,027
Less accumulated depreciation	8,648,775	8,473,775	7,999,282
	9,539,457	9,714,457	4,819,745
Construction in progress			2,563,213
	9,539,457	9,714,457	7,382,958
	$ 9,945,975	$10,088,674	$ 7,643,475

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable	$ 42,915	$ 63,725	$ 62,673
Short-term borrowings	315,000		
Current maturities, term debt	100,000	100,000	
Accrued expenses	106,390	145,106	132,639
Total current liabilities	564,305	308,831	195,312
Deferred income taxes	424,233	424,233	338,233
Construction debt payable	3,557,256	3,570,237	1,357,870
Stockholders' equity:			
Common stock, issued and outstanding, 595,767 shares	625,555	625,555	625,555
Capital in excess of par value	2,037,300	2,037,300	2,037,300
Retained earnings	2,737,326	3,122,518	3,089,205
Total stockholders' equity	5,400,181	5,785,373	5,752,060
	$ 9,945,975	$10,088,674	$ 7,643,475

The accompanying notes are an integral part of the financial statements.

SCIOTO DOWNS, INC.

STATEMENT OF OPERATIONS
for the three-month periods ended January 31, 1992 and 1991
(Unaudited)

	1992	1991
Operating revenues, other	$ 3,717	$ 2,672
Operating expenses:		
Salaries and wages	123,525	112,649
Depreciation	175,000	125,000
Other operating and general expense	197,997	217,849
	496,522	455,498
Loss from operations	(492,805)	(452,826)
Net interest (expense) income	(92,387)	3,601
Loss before income tax benefit	(585,192)	(449,225)
Income tax benefit of operating loss (Note 3)	200,000	153,000
Net loss	$(385,192)	$(296,225)
Net loss per common share (Note 2)	$(.65)	$(.50)
Weighted average common shares outstanding	595,767	595,767

The accompanying notes are an integral part of the financial statements.

SCIOTO DOWNS, INC.

STATEMENT OF CASH FLOWS
for the three-month periods ended January 31, 1992 and 1991
(Unaudited)

	1992	1991
Cash flows used in operating activities:		
Net loss	$(185,192)	$(296,225)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	175,000	125,000
Change in accounts receivable	23,268	50,874
Change in prepaid expenses and other	(10,439)	(44,114)
Change in federal income tax refundable	(200,000)	(32,868)
Change in accounts payable	(20,810)	(21,197)
Change in accrued expenses	(38,716)	(33,523)
Total adjustments	(71,697)	44,232
Net cash used in operating activities	(456,889)	(251,993)
Cash flows used in investing activities:		
Purchase of property and equipment		(1,939,512)
Net cash used in investing activities		(1,939,512)
Cash flows from financing activities:		
Borrowing on construction loan		1,357,870
Repayment of term debt	(12,981)	
Proceeds from short-term borrowings	315,000	
Net cash provided by financing activities	302,019	1,357,870
Net decrease in cash and cash equivalents	(154,870)	(833,635)
Cash and cash equivalents, beginning of period	210,451	841,231
Cash and cash equivalents, end of period	$ 55,581	$ 7,596
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	$ -0-	$ 13,500
Interest	$ 93,838	$ 6,646

The accompanying notes are an integral part of the financial statements.

SCIOTO DOWNS, INC.

NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation:

The information furnished reflects all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for the interim periods on a basis consistent with that of prior periods.

The accompanying unaudited financial statements are presented in accordance with the requirements of Form 10-Q and, consequently, do not include all the disclosures normally required by generally accepted accounting principles or those normally made in the Company's annual Form 10-K filing. Reference should be made to the Company's 1991 Form 10-K for additional disclosures, including a summary of the Company's accounting policies.

2. Loss Per Share:

Net loss per share is derived by dividing net loss by the weighted average number of shares outstanding during the period.

3. Income Taxes:

Due to the seasonal nature of the business, the Company historically sustains operating losses in the first quarter of the year which may be offset by operating profit during the racing season that falls later in the fiscal year. Accordingly, the income tax benefit of such seasonal losses has been recorded at the expected annual effective tax rate of 34%, as realization of such benefit will arise from the partial offset of the current loss against income generated from profitable operations during the racing season. It is anticipated that sufficient income will not be generated in the remainder of the year to offset the entire seasonal loss. Any remaining net operating losses will be carried back and used to recover taxes paid on previously taxed earnings of the Company.

SCIOTO DOWNS, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

January 31, 1992 Compared to October 31, 1991

Because of the seasonal nature of the business, the Company experiences net operating losses during the first two quarters of the fiscal year. Additionally, the Company utilizes the off-season to effect repairs and maintenance as well as major track and facility improvements. As a result, the Company borrowed funds on its line of credit to finance operations and to service debt. Consequently, the liquidity and cash flow of the Company have been directly affected.

The racing season at Scioto Downs annually falls within the third quarter ending in July. The majority of rental income from leasing the racing facility to Mid-America Racing Association is earned during the fourth quarter of the year, ending in October.

Three Months Ended January 31, 1992 Compared to Three Months Ended January 31, 1991

Other operating and general expense increased primarily as a result of a one-time expenditure incurred for testing and removal of fuel tanks on the property. The higher depreciation charge in 1991 reflects track improvements placed in service during the prior racing season.

Interest income decreased due to significantly lower cash balances which were used primarily to fund the Clubhouse enclosure and pay operating expenditures during the first quarter of fiscal 1992. Interest expense was incurred on borrowings used to finance the Clubhouse enclosure and to fund operations. The increased income tax benefit reflects the larger operating loss incurred for the quarter.

SCIOTO DOWNS, INC.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings - None

Item 2. Changes in Securities - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - None

(b) Reports on Form 8-K - No reports on Form 8-K were filed during the quarter ended January 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SCIOTO DOWNS, INC.
Registrant

DATE 3/12, 1992 BY /s/ William C. Heer
William C. Heer, Treasurer

DATE 3/12, 1992 BY /s/ Timothy V. Luther
Timothy V. Luther Controller